

November 14, 2012

**ITEM NO. E1**

**AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR FULLMORA APARTMENTS**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for Fullmora Apts.; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

**CORPORATE GOAL**

The purpose of this contract is to create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for eight (8) apartments detailed below.

**FUNDING:** Housing Choice Voucher Program

**PROPERTY SUMMARY**

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Fullmora Apts.	Belmont-Central; 30 <sup>th</sup> Ward; Ariel Reboyas	Chestnut Investments, LP	Working Individuals & families	8	14

**CONTRACT SUMMARY**

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
Fullmora Apts.	HCV Program	30 Years	AHAP Contract	\$123,600/yea r	\$3,708,000 (30 years)	August, 2012

## **BACKGROUND**

### **Waiting List / Occupancy Process**

It is the intent of the owner/manager of this property to lease all of the units to eligible persons from CHA's waiting lists. Eligibility for the property includes being below 80% of AMI. CHA will refer applicants from its waiting lists (both Public Housing and HCV) as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting list of family housing applicants will be exhausted prior to utilization of a site based waiting list.

### **Fullmora Apts.**

Fullmora Apartments is the substantial rehabilitation of a 2-story California-style walkup located at 5858 W. Fullerton, 2 blocks east of Austin Blvd. in the Belmont Cragin neighborhood containing 12 one-bedroom and 2 two-bedroom apartments. Of these, 6 one-bedroom and 2 two-bedroom units will receive PRA subsidies. The rehab plan calls for a new roof, siding, windows, masonry, porches, parking lot, all new kitchen and baths including new appliances and fixtures. There will be bike storage and laundry facilities on site and 14 on-site parking spaces.

The owner/developer of the property is Chestnut Investments, LLC, an entity formed for the project, and is a wholly owned subsidiary of Property Markets Group. PMG is a real estate private equity firm established in 1991 headquartered in New York and is headed by Kevin Maloney. PMG owns over \$3 million in real estate assets in New York, Illinois, Florida, South Carolina and the Caribbean. Development financing will be provided solely from PMG.

### **Conclusion**

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Acting Chief Housing Officer concurs with the recommendation to execute an Agreement to enter into a Housing Assistance Payments contracts for Fullmora Apartments.

The CEO/President recommends the approval to execute Housing Assistance Payments contracts for Fullmora Apartments.

**RESOLUTION NO. 2012-CHA-95**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated November 14, 2012 requesting authorization to execute an Agreement to enter into a Housing Assistance Payments contracts for Fullmora Apartments;

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for Fullmora Apartments.; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

